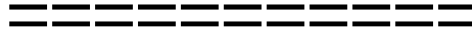


THE DOTted LINE



AN ACQUISITION AND GRANT NEWSLETTER

FALL 1996

MESSAGE FROM THE DIRECTOR DAVID LITMAN

In this time of downsizing and rapid change, sharing knowledge is the key to survival. As part of the DOT acquisition team, a major objective of the Office of Acquisition and Grant Management is to provide the DOT acquisition and grants work forces with the knowledge you need when and where you need it. A nice thought, but how does that translate into action?



Let me share with you what we see as our tasks in meeting this objective:

- Making policy user friendly - We have this bad habit of dropping policy and procedural changes on the work force with little explanation as to their significance or impact. We plan to hold more policy roundtables to share information on current and future policy changes and to identify training resources to support the changes.
- Learning from you - To get you the knowledge you need, we have to understand what your needs are. Therefore, we are trying to develop better communication strategies to ensure we hear your voice. Some of the things we are thinking about is creating a "chat" room on our homepage for those with Internet access, increasing use of E-mail to get information out (and get responses) and field visits to operations offices (no, not Procurement Management Reviews - just friendly open dialogues on what is working well and what isn't). Can you really have an impact? For those of you who attended the Past Performance breakout at the Partnerships for Purchasing Power Symposium last June, we have already met a couple of times with the Office of Federal Procurement Policy to share your concerns about how past performance is working.
- Sharing knowledge - It is unrealistic to expect everyone to be able to keep up with all the changes going on in the procurement system especially in a time

of diminishing resources. Statutory changes, regulatory changes, procedural changes, "best practices", "promising practices" - it's not surprising that people feel inundated and eventually want to tune out. That's why we want to play the role of "knowledge broker" for the DOT procurement work force. The information you need to do your job, whether it's the best way to do oral proposals or how to write a performance-based statement of work or whatever, is out there somewhere in the federal procurement community. We want to make sure it's available to you whether through the DOT procurement home page or training videos or a phone call to this office. And we want to take the things you have learned and share them with others. We can't afford a "not invented here" approach in DOT - if someone somewhere has something that works, we'll find it and make sure it gets to you. Our motto is "steal shamelessly."

- Measuring performance - On October 1, the DOT Procurement Performance Measurement Plan goes into effect. An outgrowth of the National Performance Review and the Federal Acquisition Streamlining Act, it includes performance measures for every DOT procurement office. These measures were developed by each Operating administration for their internal use. Many people fear that performance measures will be used punitively, but within DOT, we see them as a powerful tool for sharing knowledge and improving the procurement system. Each OA will use the performance measures to assess where the procurement system is working well and where things could improve. Our role is to take what you learn and share it with

others so we can learn from our mistakes and build on our successes. A following article titled, Procurement Performance Measurement at DOT, answers questions concerning this initiative.

What we want to do in the Office of Acquisition and Grant Management is be a resource for the work force. We will be a clearinghouse, trainer, researcher, encyclopedia, advocate - whatever it takes to get you the knowledge you need to do your job when you need it.

Let us know how we're doing!



ACQUISITION WORKFORCE

(by Babs Fallat, OST, M-61)

Recent laws passed by Congress will have a major effect on the "acquisition workforce," especially if you are an 1102 or an 1105. Specifically, what qualifications, education, and performance will be needed for the acquisition workforce of the future? The new laws that affect you are in Title V of the Federal Acquisition Streamlining Act (FASA) and the Federal Acquisition Reform Act, under what was known as the Maloney bill.

The DOT has formed a committee to address the issues created by these new laws. The committee's charter is to develop policies and procedures which will result in measurable improvement in the acquisition workforce. The end product will be consistent with the legislation, and feasible for the DOT and individual operating administrations. The

committee plans to work on these policies and procedures.

The committee intends to make these policies and procedures as NONprescriptive as possible. The committee's approach will be to determine what it is our acquisition workforce needs in the areas of qualification and training to succeed on the job and be competitive in the job market. This is a very

different approach from the classic list of prescribed skills and courses. We will keep you informed and involved as much as possible of any proposed changes. The individuals on the committee are listed below. Please feel free to send them comments. Your input is critical because you will be the ones most impacted by what is designed.

ACQUISITION WORKFORCE COMMITTEE

ADMINISTRATION NUMBER	NAME	PHONE
COAST GUARD	ASHLEY LEWIS	(202) 267-2928
TASC	PATRICIA HANSON	(202) 366-4979
FHWA	ANDREW JULIAN	(202) 366-9054
NHTSA	SUSAN JAMES	(202) 366-2613
FRA	ROBERT SPRATLING	(202) 366-0571
FTA	ANNETTE JAMISON	(202) 366-4980
MARAD	ANN DANZI	(202) 366-5757
OST OFFICE OF PERSONNEL	RANDY BERGQUIST	(202) 366-6016
OST ACQUISITION AND GRANT MANAGEMENT	BABS FALLAT	(202) 366-4974

DOT PARTNERSHIPS FOR PURCHASING POWER SYMPOSIUM

(by Kathy Espenshade, OST, M-61)

The Procurement Information Exchange (PIE) Council (procurement representatives from each operating administration) hosted a

DOT Symposium on June 19 and 20. The theme of this year's event was DOT Partnerships for Purchasing Power - a partnership between Program and Acquisition personnel to build a team atmosphere based on their common goal of

improving performance and getting the job done.

Through the efforts of the PIE Council, procurement and program individuals from every operating administration had the opportunity to share information and learn from each other. The day and a half symposium included speakers and breakout sessions addressing topics such as: legislative changes, past performance, procurement performance measures, writing statement of works, electronic purchasing, task order contracting, simplified acquisition and customer relations. The range of topics addressed issues of concern to both procurement and program offices.

One of the highlights of the symposium was the presentation of awards for the 1996 Procurement Performance Measurement program. This event focused on the achievements of teams -- the procurement program partnerships which enabled offices to measure the best in 11 procurement measurements and those partnerships which took a risk "to step out of the box" by using DOT's Procurement Reinvention Laboratory. The DOT was fortunate to have Dr. Steven Kelman, OFPP Administrator, present to help recognize these individuals or organizations, who have put many efforts towards creating positive changes in the procurement arena. After the recognition ceremony, Dr. Kelman conducted a town hall meeting, providing DOT employees an opportunity to share creative ideas for improving the Federal acquisition process.

This years winners are listed at the end of this issue of the DOTted Line. We encourage your participation in the performance measurements next year and hope that you will contact your PIE Council representative

with ideas for the next symposium. The following is the list of PIE Council representatives:

FAA - Barbara Butts - 202-267-8374
David Sallas - 202-267-8249
FHWA - Frank Waltos - 202-366-4205
FLHO - Dan Alexander - 202-366-9482
FRA - Bob Carpenter - 202-366-0564
FTA - Bobby Jones - 202-366-3502
MARAD - Gene Simmons - 202-366-1711
Joyce Harris - 202-366-9684
NHTSA - Amy Poling - 202-366-9552
OST - Lori Byrd - 202-366-6068
RSPA - Keith O'Neill - 202-366-5513
VOLPE - Dave Scali - 617-494-2042
TASC - Phaedra Johnson - 202-366-0742
USCG - Barbara Sneden - 202-267-1168

THE PROCUREMENT REINVENTION LAB - AN UPDATE

(by Jim Hawkins, OST, M-61)

Our LAB is still alive, growing and tucking successes under its belt. Creative uses of the LAB continue to amaze me. Would you believe that FHWA and the Coast Guard have teamed on an experiment to "inspire" the Small Business Administration to reduce the administrative burdens imposed on the 8(a) program. The ambitious objectives of this experiment include a five workday turnaround for offer acceptances by the SBA, zero days for SBA contract action approval, and clarification of the interaction between the Simplified Acquisition and 8(a) processes.

This endeavor is still in the "creative" stage.

You can get a summary of the LAB experiments by calling Aretha Suggs at (202) 366-4271 or EMAIL me at

jim.hawkins@ost.dot.gov. Also, copies of most of the experiments are on the Net at: **<http://www.dot.gov/dotinfo/ost/m60/prl/expermnt.html>**.

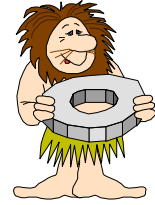
Let me spark your interest. NHTSA took advantage of class deviations to permit the Government to consider bids and proposals submitted timely by offerors when scheduled for overnight delivery, but delivered late by commercial carriers. Without these deviations, permission is limited to the U.S. Postal Service (see FAR 52.214-7 and FAR 52.215-10). Another NHTSA experiment eliminated the requirement to separately document compliance with fixed-fee statutory limitations by including the information in the Price Negotiation Memorandum (FAR 15.903(d)).

The USCG wins the award for the “thickest” experiment. It streamlines the task order process and includes a format for a task order pre/post negotiation memorandum (used the LAB’s Blanket Waivers to the TAM). An opportunity to “shamelessly steal” exists right here.

Now - what you have dreamed about for most of your adult life - we expanded the LAB. Yes, now! Available to you! TAM Notice 96-02 which makes it easier than ever to enter the LAB. Step right up and do a little “piggybacking” or hop on a FAR deviation. The next article explains more.

DOT PROCUREMENT REINVENTION LABORATORY PHASE II IS HERE!

(by Elaine Wheeler, OST, M-61)



Do you think it takes too long to get your work done? That things should and could be easier and better? If your answer is "YES," then there is no time like the present to try the opportunities of DOT's Procurement Reinvention Laboratory (LAB). As promised, Phase II has expanded the LAB to provide more opportunities for reinvention. It also simplifies the LAB process by making it even easier. This new phase was disseminated by Transportation Acquisition Manual (TAM) NOTE 96-02.

WHAT CAN PHASE II DO FOR YOU?

- Remember those **TAM** waivers already granted by the Senior Procurement Executive (those listed in the LAB's Partnering Agreement)? You can now use them not only for an **INDIVIDUAL** (one) action, but also for a **CLASS** (more than one) of actions.
- You can "copy" others experiments--we call this "piggybacking." Normally, all that's needed is to register your "piggybacked" experiment by describing the procurement and getting a new registration number.
- You can use the LAB as an expedited method of getting waivers from the **TAR** and **TAM** for an **INDIVIDUAL** action or for a **CLASS** of actions.

- NOW, as never before, being designated a LAB enables us to use a streamlined approach to receiving **FAR** waivers. Phase II is open to experimenting with **FAR INDIVIDUAL** and **CLASS** waivers.

Another important feature of the LAB is to share ideas. If you are trying an innovative idea, share it with the rest of us. The LAB will post your idea on the Internet so we all can see what's happening. **THERE IS NO TIME LIKE NOW TO GET STARTED.**

To learn more about our LAB or its experiments, access DOT's homepage on the internet at:

<http://www.dot.gov/dotinfo/ost/m60/index.html>

and click on the "Acquisition Reform" icon or call the Office of Acquisition and Grant Management (OAGM) at (202) 366-6688.

If you have any ideas for what you would like to see permitted by the LAB, please call Elaine Wheeler at (202) 366-4272 or fax them at (202) 366-7510. All ideas are welcomed and appreciated.



INCREASING OPPORTUNITIES FOR SMALL BUSINESSES

(by Charlotte Hackley, OST, M-61)

Secretary Federico Peña is committed to advancing socioeconomic programs at the DOT. This initiative is expressed also by President Clinton's Executive Order 12928, Promoting Procurement with Small Businesses Owned and Controlled by

Socially and Economically Disadvantaged Individuals, Historically Black Colleges and Universities, and Minority Institutions on Small and Minority Owned Business Developments.

Through the efforts of DOT contracting officers, small business specialists, and technical personnel, DOT strives to meet its socioeconomic contracting goals. These individuals are to be commended for their efforts and are requested to vigorously continue to support and implement the Secretary's initiative by:

- Ensuring that bidder mailing lists include those small, small disadvantaged, and women-owned small businesses who are qualified to compete for DOT's requirements;
- Ensuring compliance with Federal Acquisition Regulation (FAR) 13.105, Small business set-asides;
- Closely scrutinizing ALL proposed large acquisitions for portions of work for which small businesses can perform;
- Meeting with the requirement offices to promote the participation of small businesses as both prime and subcontractors in DOT's acquisitions; and
- Ensuring the continued success of DOT's Small Business Innovation Research Program.

The Department is very proud of our latest accomplishment (i.e., the number of awards made to small and small disadvantaged businesses under the Information Technology Omnibus Procurement (ITOP)).

This is another example of advance procurement planning between contracting

and technical personnel for a large task order contract including multiple awards which are now permitted by FAR 16.5. The ITOP solicitation was structured to ensure small and small disadvantaged businesses had the opportunity to compete and be successful offerors. We also can not forget that it was the Volpe National Transportation Systems Center who paved the way for Governmentwide acceptance of this method of contracting.

We encourage others to share any innovative strategies for increasing small and small disadvantaged business participation. Please contact Charlotte Hackley at (202) 366-4267 or send ideas to her on the Internet at charlotte.hackley@ost.dot.gov.

PROCUREMENT PERFORMANCE MEASUREMENT AT DOT

(by Elaine Wheeler, OST, M-61)

With the passage of the Government Performance and Results Act (GPRA) and the Federal Acquisition Streamlining Act, the use of performance measurement is becoming more and more a reality.

As chair of the President's Management Council (PMC) Procurement Task Force, Deputy Secretary Downey was part of the first major effort to define and set guidelines for implementing procurement performance measures throughout the Government. The report, "Measuring Up---Procurement Performance Measures and a Best Practices Campaign for a World Class Acquisition System," was disseminated for implementation throughout the Government by the Office of Management and Budget (OMB).

To help you understand performance measures and how they affect you, we have provided answers to the following frequently asked questions:

What is performance measurement?

Performance measurement is an indicator of how well you're doing in a specified area. It is a results-oriented approach for continuous improvement that uses measures that are reasonable and quantifiable. For procurement, it gauges progress in creating and maintaining an efficient and effective procurement system normally in four performance areas --timeliness, quality, price, and productivity. Measuring how long it takes to award a contract after receipt of the purchase request, determining how many fixed price contracts have been awarded for a specified time, or determining how many purchase cards have been issued by an office are examples of procurement performance measures.

How is a procurement measurement area determined?

Measures should be determined based upon the unique mission and needs of your organization (e.g., related to your organization's GPRA goals) or be of special interest or importance to your office.

What is required of DOT and when?

The operating administrations (OAs) developed a Procurement Performance Measurement Plan and submitted them to OAGM for consolidation into one departmentwide plan in August 1996. Implementation began on October 1, 1996.

Who is responsible for the OA Procurement Performance Measurement Plan?

The cognizant OA Procurement Management Council member has responsibility for the Plan within their organization. However, measures that cross functional lines (e.g., program, finance) will require the support and participation of the impacted stakeholders.

Are there any helpful guides that can assist in developing measures?

Since the use of procurement performance measures is an on-going effort, OAGM has disseminated two guides that can assist in developing measures pertinent to your needs. They are entitled "How to 'Measure Up'--A Guide to Selecting Performance Measures" and "A Blueprint for Developing and Executing a Procurement Performance Measurement Plan for the Department of Transportation." The former guide is also contained on the General Services Administration's (GSA) homepage at: <http://www.gsa.gov/irms/ka/perfmeas/pathways/ppfor.htm>.

Are our measurement results going to be compared against other Departments?

The PMC states that currently there is no intent to compare a Department's results against other Departments. The primary purpose of performance measures is for each agency to be able to measure the progress of its own improvement.

If we save program dollars because of our procurement improvements, will our budgets be cut or billets lost?

The OMB supports the approach of allowing savings to be used by program managers in support of program activities and Administration priorities. This support was

reflected in a recent OMB memorandum to all Department Heads.

What is the future of procurement performance measures?

We expect they are here for the long-run and that goals or standards will be set by each OA to gauge their future measurement efforts. In addition, we anticipate continued interest by the Secretary's Management Council, the Procurement Management Council, and the Office of Federal Procurement Policy.

If used as intended, performance measures can be a powerful tool. For procurement personnel, the use of performance measures can provide us with a tangible method for showing the quality of what we do and to demonstrate that all personnel involved in the procurement function are important contributors to attaining the organizations mission.

If you would like further information on DOT's role in using procurement performance measures, please contact Elaine Wheeler at (202) 366-4272.



INDEFINITE QUANTITY CONTRACTING IS SUCCESSFUL FOR FEDERAL HIGHWAY ADMINISTRATION

(by John Guy, FHWA, HAM-20)

The Federal Highway Administration's Office of Acquisition Management (HAM) undertook an innovative contracting technique to support a major program initiative of the agency and the results are

proving to be very positive. The Intelligent Transportation System (ITS) is a critical emphasis area for the agency. The HAM works closely with the ITS technical office to conduct advance acquisition planning to satisfy the requirements of this program. To promote this endeavor, HAM is encouraging use of indefinite quantity contracting procedures.

With the intention of providing quick response to the customer office, HAM awarded two ITS traffic management contracts as indefinite quantity. The two contractors are competing for individual task orders to provide ITS technical support and traveler information services. Competition between these contractors is based on technical considerations, as well as past performance, price, and other applicable factors.

The results to date are encouraging. Administrative processing time and costs have been minimized. The HAM is confident that use of these indefinite quantity contracts will enhance quality, performance, and cost effectiveness in supporting the ITS program and the customer office.



THE CONTRACT INFORMATION SYSTEM KEEPS ON ROLLING

(by Babs Fallat, OST, M-61)

The Contract Information System (CIS) keeps on changing for the better. As of July 1, 1996, CIS no longer needs Contractor Establishment Code (CEC) numbers. We are going back to the DUNs numbers. Dun and

Bradstreet, through the GSA, has provided us with a conversion table, and we are making the conversion from CEC numbers to DUNs numbers. You should not have to do anything to your contracts/orders that are presently in the system. If you add a modification or order to an **already existing** contract or order, you will **not** need to do anything. **BUT**, if you are putting a contract or order in the CIS system for the first time, you need to obtain the DUNs number **FROM THE CONTRACTOR**. The Government is charged every time we call Dun and Bradstreet for a DUNs number. However, if the contractor calls, they are not charged. The contractor should be able to provide this number as part of their proposal.

Please read the new **broadcast message** screen as you enter the system. We place important messages about the system on the screen. The message is new every week and sometimes changes during the week. If you want to get a message out to your procurement offices in the field about something you have learned, please send it to us, and we will put it on the broadcast message screen.

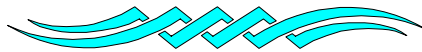
The new CIS Reporting System will be of little benefit to you unless you have either ENTIRE or NATURAL Connection software. You can buy this for around \$280 from Software AG (1-800-843-9534). You will need ENTIRE Connection if you are Windows based and NATURAL Connection if you are DOS based. You will have problems when you first go to connect with the mainframe. You or your computer support person must call our HELP Desk at (202) 366-9938, and tell them what you are trying to do. They will have someone call you back within 2 hours to help. If you do not get a response or you are not able to get

ENTIRE/NATURAL Connection working, call me and I will get someone from this office or Software AG to help you. Please do not sit there feeling hopeless. We have yet to fail to get someone up and running who has contacted the HELP Desk. If you do not have this software, the only thing you can do is <Print Screen>. This will give you the information that appears on the screen, but not the whole report.

Final clean up of the system has begun. We are making what global changes we can to your records. There will be some changes that you will have to make to correct bad records. We will also begin sending out the list of active fixed price contracts with a completion date that is over one year old.

You should be looking at your active contract list and checking those completion dates. We will not be looking at cost type contracts yet. We have plenty of fixed price contracts to keep us busy. If you complete a contract, and it has bad data in it, you do NOT need to correct that data. Unfortunately, the same does not apply for orders that have a basic contract, or for orders that were entered without a basic. Because the system pulls information from previous orders, you must correct the bad information on future orders. We will see what we can do to correct this program problem in the near future. Remember, if a contract is completed, it is **NOT** deleted from the system---it is **COMPLETED**.

Keep your phone calls coming---we are here to help you.



1996 Award Winners and Recognitions

U.S. Coast Guard

MLCPAC (fcp) - Alameda, CA	Best-In-Class Performance Measure Customer Timeliness
MLCPAC (fcp) - Alameda, CA	Best-In-Class Performance Measure Customer Service/Partnership
FD&CC LANT - Norfolk, VA	Best-In-Class Performance Measure Meeting Mission Goals
SUPCEN - Portsmouth, VA	Best-In-Class Performance Measure Employee Quality Work Environment
SUPCEN - Portsmouth, VA	Best-In-Class Performance Measure Executive Leadership
Coast Guard Academy	Procurement Reinvention Lab Experiment (2)

Federal Transit Administration

Headquarters	Procurement Reinvention Lab Experiment
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Maritime Administration

Headquarters	Procurement Reinvention Lab Experiment (2)
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Federal Aviation Administration

Technical Center - Atlantic City, NJ	Procurement Reinvention Lab Experiment
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Transportation Administration Service Center

Headquarters	Procurement Reinvention Lab Experiment
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Research and Special Programs Administration

Headquarters	Best-In-Class Performance Measure Acquisition Excellence
Headquarters and Volpe	Best-In-Class Performance Measure Accurate, Timely, and Efficient Data Collection
Headquarters	Best-In-Class Performance Measure Meeting Mission Goals
Headquarters	Best-In-Class Performance Measure Maximizing Cost Savings
Headquarters	Procurement Reinvention Lab Experiment
Volpe - Cambridge, MA	Procurement Reinvention Lab Experiment

Federal Railroad Administration

Headquarters	Best-In-Class Performance Measure Workforce Education and Experience
Headquarters	Best-In-Class Performance Measure Meeting Mission Goals
Headquarters	Procurement Reinvention Lab Experiment

Federal Highway Administration

Eastern Federal Lands Highway Division Office	Best-In-Class Performance Measure Acquisition Maximum Value at Least Cost
Western Federal Lands Highway Division Office	Best-In-Class Performance Measure Customer Quality
Headquarters	Procurement Reinvention Lab Experiment
Eastern Federal Lands Highway Division Office	Procurement Reinvention Lab Experiment